SEP 8 1986

Y 4. F 76/1: 99-58/26

ROUNDTABLE DISCUSSION ON U.S. POLICY TOWARD THE MIDDLE EAST

COMPLETED

A7

HEARING

BEFORE THE

SUBCOMMITTEE ON
EUROPE AND THE MIDDLE EAST

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

MAY 22, 1986

Printed for the use of the Committee on Foreign Affairs

ORIGINAL

U.S. GOVERNMENT PRINTING OFFICE
62-723 O WASHINGTON : 1986

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

900

I BEST COPY AVAILABLE

COMMITTEE ON FOREIGN AFFAIRS

DANTE B. FASCELL, Florida, *Chairman*

LEE H. HAMILTON, Indiana
GUS YATRON, Pennsylvania
STEPHEN J. SOLARZ, New York
DON BONKER, Washington
GERRY E. STUDDS, Massachusetts
DAN MICA, Florida
MICHAEL D. BARNES, Maryland
HOWARD WOLPE, Michigan
GEO. W. CROCKETT, Jr., Michigan
SAM GEJDENSON, Connecticut
MERVYN M. DYMALLY, California
TOM LANTOS, California
PETER H. KOSTMAYER, Pennsylvania
ROBERT G. TORRICELLI, New Jersey
LAWRENCE J. SMITH, Florida
HOWARD L. BERMAN, California
HARRY REID, Nevada
MEL LEVINE, California
EDWARD F. FEIGHAN, Ohio
TED WEISS, New York
GARY L. ACKERMAN, New York
BUDDY MacKAY, Florida
MORRIS K. UDALL, Arizona
ROBERT GARCIA, New York

WILLIAM S. BROOMFIELD, Michigan
BENJAMIN A. GILMAN, New York
ROBERT J. LAGOMARSINO, California
JIM LEACH, Iowa
TOBY ROTH, Wisconsin
OLYMPIA J. SNOWE, Maine
HENRY J. HYDE, Illinois
GERALD B.H. SOLOMON, New York
DOUG BEREUTER, Nebraska
MARK D. SILJANDER, Michigan
ED ZSCHAU, California
ROBERT K. DORNAN, California
CHRISTOPHER H. SMITH, New Jersey
CONNIE MACK, Florida
MICHAEL DeWINE, Ohio
DAN BURTON, Indiana
JOHN McCAIN, Arizona

JOHN J. BRADY, JR., *Chief of Staff*
ROXANNE PERUGINO, *Staff Assistant*

SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST

LEE H. HAMILTON, Indiana

TOM LANTOS, California
ROBERT G. TORRICELLI, New Jersey
LAWRENCE J. SMITH, Florida
MEL LEVINE, California
HARRY REID, Nevada
EDWARD F. FEIGHAN, Ohio
GARY L. ACKERMAN, New York

BENJAMIN A. GILMAN, New York
MARK D. SILJANDER, Michigan
ED ZSCHAU, California
ROBERT K. DORNAN, California
CHRISTOPHER H. SMITH, New Jersey

MICHAEL H. VAN DUSEN, *Subcommittee Staff Director*
HILLEL WEINBERG, *Minority Staff Consultant*
KENNETH B. MOSS, *Subcommittee Staff Consultant*
CHRISTOPHER A. KOJM, *Subcommittee Staff Consultant*

BEST COPY AVAILABLE

CONTENTS

WITNESSES

	Page
Michael C. Hudson, director, Georgetown University Center for Contemporary Arab Studies	2
Martin Indyk, executive director, the Washington Institute for Near East	4
Hon. Samuel W. Lewis, diplomat in residence, School of Advanced International Studies, Johns Hopkins University, and former U.S. Ambassador to Israel	7
William B. Quandt, acting director, Foreign Policy Studies Program, The Brookings Institution	10

APPENDIX

Biographies of witnesses:	
Michael C. Hudson	37
Martin Indyk	38
Hon. Samuel W. Lewis	39
William B. Quandt	41

BEST COPY AVAILABLE

ROUNDTABLE DISCUSSION ON U.S. POLICY TOWARD THE MIDDLE EAST

THURSDAY, MAY 22, 1986

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST,
Washington, DC.

The subcommittee met, at 10:08 a.m., in room 2200, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman of the subcommittee) presiding.

Mr. HAMILTON. The meeting of the subcommittee will come to order.

The subcommittee meets today in open session for a Middle East policy roundtable discussion. We are pleased to have with us today four recognized authorities on the Middle East. They are Hon. Samuel W. Lewis, diplomat in residence, School of Advanced International Studies, Johns Hopkins University, and former U.S. Ambassador to Israel; Michael Hudson, director, Center for Contemporary Arab Studies at Georgetown University; Martin Indyk, executive director, the Washington Institute for Near East Policy; and William Quandt, acting director, foreign policy studies program, the Brookings Institution, and former member of the National Security Council staff.

QUESTIONS OF INTEREST

In earlier correspondence with our witnesses the Chair asked them to focus in a few introductory remarks on the following five questions.

First, what do you consider to be the main themes of United States policy in the Middle East today; what is right and wrong with those policies, and how would you improve them?

Second, the Middle East peace process appears stalled: What, if anything, should the United States do about it?

Third, is the United States position in the Middle East eroding, and if it is, to what do you attribute that erosion and what should be done about it?

Fourth, what do you see as the major foreign policy problems confronting the United States in the Middle East over the next 2 to 3 years and how should the United States handle them?

Fifth, to what degree should the United States seek to engage the Soviet Union on Middle East issues and toward what objectives?

BEST COPY AVAILABLE

It is the Chair's intention to proceed informally today after each witness has had a chance for some opening comments on what we recognize to be very difficult questions.

Members will be recognized when they want to speak and brief interjections will be in order if a participant or a member wishes to speak to a specific point under discussion. In other words, I will not be calling on members in the usual order as we do in committee meetings.

We welcome our witnesses today. I gather several of them are about to leave the country. We appreciate their appearing before us and we look forward to a useful dialog.

I think we will just have you proceed in an alphabetical order, and it will be from my right and to the left.

Mr. Hudson, you may begin.

STATEMENT OF MICHAEL C. HUDSON, DIRECTOR, CENTER FOR CONTEMPORARY ARAB STUDIES, GEORGETOWN UNIVERSITY

Mr. HUDSON. Thank you very much, Mr. Chairman. I appreciate the invitation from the subcommittee to participate in this roundtable.

I will try, although it is difficult for professors to do this, to keep my remarks to 5 minutes.

I would like to speak essentially from the point of view of an educator, as a student of international relations with particular and rather long interest in the Middle East, one who is concerned not just with United States-Middle East policy issues, but also the broader and deeper relationships between the United States as a culture and a society and the peoples of the Middle East as cultures and societies.

Thus, I prefer to speak more to the question of popular, social, and cultural relationships than specifically to political relationships.

I would like to address myself mainly to question No. 3 that the chairman has proposed; namely, is the United States position in the Middle East eroding, and if it is, to what do you attribute that erosion and what should be done about it?

EROSION OF U.S. POSITION

As an educator, as somebody who sends students out to study Arabic and the societies and cultures of this region (and we do all across the Middle East from Morocco to Kuwait) I am concerned on professional as well as personal grounds and national grounds about what I believe is a very serious erosion in the American position in the region.

I think that erosion has long-term and deep political roots of which the most important relate to the unsolved Palestinian and Arab-Israeli question. But this erosion certainly has a short-term aspect as well; and in the last several months, as tension and terror emanating from the area has increased, the United States has participated in this violence. Accordingly, the anger, despair, discouragement, and even hatred toward America that one observes across the region is very disquieting.

BEST COPY AVAILABLE

I can't think of a time in the last 20 years or so, since I have been studying this region, that the Americans and the United States as a nation have been held in such negative regard by people out there.

We have been talking to students and professors, and we have been surveying the editorial pages of the Arab press. Judging from these observations, I think that you would be hard pressed to find an Arab anywhere in the Arab world—and we are talking about 21 countries, some 150 million people—who is not deeply, profoundly angered, and discouraged about American policy. Worse still, this anger is almost certainly more intense in the younger generation, that eventually will come to positions of power and influence.

The American position is regarded on the Palestinian issue as profoundly and increasingly unbalanced. And in the last few years and months—since our military involvement in Lebanon in 1982-84—our use of force on several occasions, albeit in response to highly provocative events, has only, I am afraid, intensified the erosion of America's position.

FEELINGS TOWARD THE UNITED STATES

As a political scientist I think it should be a matter of concern to responsible American decisionmakers that the public opinion in this very important part of the world should have turned so profoundly against us. It is—to repeat—particularly ominous that the younger generation of opinionmakers—students, professors, journalists, businessmen, civil servants, and even military officers—should feel that the American Government has become openly and indeed implacably hostile to the deeply held concerns of the Arab people.

I think one of the long-term consequences of this trend if it continues, will be the weakening of governments in the Arab world that have been basically friendly in the past toward the United States.

I think another consequence, unfortunately, will be the endangering of American lives and interests in this part of the world.

I have known too many people personally who have been kidnapped or murdered in that part of the world, educators like the late Malcolm Kerr of the American University of Beirut. I worry about the hostages that are now being held in Lebanon in light of the current climate of opinion. I fear that if the present intensely negative perceptions of the United States continue, other Americans will be taken hostage, other Americans will die, and American official business interests will continue to suffer.

Furthermore, I believe that the Soviet Union will gain in influence throughout the region mainly as a result of this growing tension and hostility toward the United States.

How can this erosion be stopped? In some ways this is a complicated problem, yet in another sense, in my opinion, it is a very simple one. When one studies the history of the troubled region one can easily understand why the Arab-Israeli conflict remains so volatile and why so much rancor is being directed toward the United States. In order to deal effectively with Middle East-related terrorisms we must understand the political and social context

BEST COPY AVAILABLE

which nurtures it. Only then can we expect to have any success eliminating it.

Politicians and so-called experts who treat terrorism as a kind of disembodied evil, a phenomenon that seems to have no particular logic or rationale, do not help advance the search for peace in the Middle East. It is essential to try and understand this kind of violence as the product of deeply and widely felt political grievances among the people in the region, no matter how distasteful it may be to do so. To understand is not to condone.

NEED FOR DEBATE ON POLICY

On a more positive note, I would like to make two suggestions. First, I believe that it would be extremely helpful and timely if there could be a new and comprehensive "great debate," and a reassessment of the fundamental assumptions and forces that shape United States policy toward the Middle East. Our country needs an open debate in which people can speak freely, seriously, and without fear of intimidation, about the growing problems that lie ahead for American interests in the region.

My second suggestion is more substantive in nature and I think it is quite a familiar one. Even though this area is driven with many different kinds of conflicts, the Palestinian and Arab-Israeli conflict remains by far the most serious one in terms of the erosion of America's position. It would be extremely salutary, therefore, if the United States were to reassess its opposition to Palestinian self-determination and pursue a more even-handed policy than it has in the past.

THE PALESTINIAN ISSUE

I am confident—and I think most American Middle East specialists would agree with me—that a greater degree of flexibility on the part of the United States in recognizing and sympathizing with legitimate Palestinian grievances would do a great deal and more than any other single step toward easing the serious erosion in America's position throughout the Arab and Islamic world.

Thank you very much.

Mr. HAMILTON. Thank you, Mr. Hudson.

Mr. Indyk.

STATEMENT OF MARTIN INDYK, EXECUTIVE DIRECTOR, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

Mr. INDYK. Thank you very much, Mr. Chairman, for the opportunity to address the subcommittee.

UNITED STATES IS DOING PRETTY WELL

My general assessment is rather divergent from Professor Hudson's. When we look at U.S. policy in the Middle East today, my assessment is that despite all the gloom and doom scenarios that tend to preoccupy us, we are actually doing pretty well in terms of protecting and promoting American national interests.

First, despite all the turmoil that has wracked the gulf since the fall of the Shah in 1979, the United States and its allies are enjoy-

BEST COPY AVAILABLE

ing access to Middle East oil at fair and reasonable prices, and I think it is reasonable to expect that that situation will continue for perhaps the next decade at least.

Second, we have developed a close and strong relationship with our ally Israel, a relationship which is now serving United States strategic interests in the Middle East and the eastern Mediterranean as much as it is serving America's moral interest in promoting freedom and democracy.

Third, we have established good working relations with an unprecedented number of Arab countries that, despite all the prognostications to the contrary, places us in a stronger position in the Arab world today than I would say at any time since the rise of Nasser and the fall of Nuri Said in Iraq in the 1950's.

Beyond the inner circle of friendly regimes in Egypt and Jordan, we have good relationships with Saudi Arabia, longstanding relationships with Oman, Tunisia, Morocco, and we are now steadily building relationships with Iraq and Algeria.

To be sure, the Arabs have not lived up to our expectations, especially in regard to the peace process, and we have not lived up to their expectations in terms of either delivering Israel or in later days, delivering arms.

But the internal and external threats that these Arab regimes now face and the shrinking resources that they possess to deal with them make them more dependent than they have ever been on our support and our willingness to protect them.

ALWAYS PROBLEMS FOR UNITED STATES

I would say in response to Professor Hudson that if one looked at any period since the Second World War, we have never been loved in the Arab street, and I would say that we never will be. As one looks at the Arab reaction in 1956, 1967, and 1973, one could say that the Arab reaction, for example, to the United States bombing raid on Libya has been extraordinarily mild in comparison to the reactions we have seen in the Arab world to American policy in recent decades.

Finally, despite its efforts to build influence with key Arab States, the Soviet Union remains almost as much on the periphery in the Middle East today as it did a decade ago when Sadat expelled the Soviets from Egypt.

Moreover, the position of influence Moscow now enjoys with the radical regimes of Syria, Libya, and South Yemen are all problematic at best and unstable.

So in terms of our four basic interests in the region, I would say that we are doing pretty well. That is the good news.

MEANS UNITED STATES EMPLOYS INADEQUATE

The bad news is that the means we have relied on since 1973 to promote and protect U.S. interests in the Middle East are becoming inadequate to the tasks we now face in that troubled region.

For more than a decade we have relied on two policies. The first was to promote peace between Israel and its Arab neighbors. The second was to sell arms to those countries willing to engage in or support that peace process. But as we can now all observe, the

BEST COPY AVAILABLE

peace process is stalled, and therefore the arms sale policy is now in jeopardy.

The reason for this state of affairs has nothing to do, I would submit, with a lack of Presidential willingness to engage in the process of peacemaking, nor does it have anything to do with the much greater willingness of Congress to engage in foreign policy decisionmaking.

The reason, simply stated, is that the balance of power in the Arab world has tipped in favor of the radicals led by Syria. They have scored two significant victories against the United States and its friends in the region in the past 5 years. They defeated the United States, they defeated Israel and they defeated Arab moderation in Lebanon. And since then, over the last year they have thwarted the American-sponsored peace process between Israel, Jordan, and the Palestinians.

As a result, the forces of Arab radicalism are on the offensive in the Arab world and regimes friendly to the United States are lacking in all resolve.

TERRORISM

One could go through a list of the various terrorist incidents that have been instrumental in achieving these victories for the radicals. The assassination of Bashir Gemayel, Lebanon's President-elect; the assassination of a number of moderate Palestinian leaders; including Zafer el-Masri, the mayor of Nablus; the bombing of American embassies in Beirut and Kuwait; the bombing of the Marine barracks in Beirut that killed 241 American marines; a series of terrorist attacks in late 1984 through to September 1985 on Jordanian embassies, officials and airline offices as well as the hijacking of a major Jordanian airline; the hijacking of American aircraft; and the *Achille Lauro* incident.

All of these actions have a common thread. They are sponsored by Syria, Iran, Libya, and the PLO to prevent the United States and its friends in the region from achieving their common objectives of peace and stability.

The answer to this threat cannot simply be a new effort to make peace, a new reassessment or new debate or new efforts to sell arms. What is required before we can again utilize the policies that we have used in the past decade to promote our interests is an effort to redress the balance in the Arab world.

BUILD UP MODERATES

This means that we have to do two broad things: The first is to build up the forces of moderation, and the second is to confront the forces of radicalism.

To build up the moderates there are some useful things that can be done. We can protect, we must protect and promote the Egypt-Israel peace treaty. We should cultivate Israel-Jordan relations and the establishment of an alternative Palestinian leadership, one that is interested in negotiating peace rather than confronting terrorism. Where we can we should be helping friendly Arab regimes with their mounting internal problems.

BEST COPY AVAILABLE

But most importantly, we have to put Syria and its friends back in their boxes by demonstrating that we have the will to confront their strategy of terrorism against our interests.

Thank you.

Mr. HAMILTON. Thank you, Mr. Indyk.

Mr. Lewis.

STATEMENT OF HON. SAMUEL W. LEWIS, DIPLOMAT IN RESIDENCE, SCHOOL OF ADVANCED INTERNATIONAL STUDIES, JOHNS HOPKINS UNIVERSITY, AND FORMER U.S. AMBASSADOR TO ISRAEL

Ambassador LEWIS. Well, as I have listened to our two previous speakers, Mr. Chairman, I find a lot that I can agree with in both.

The basic judgment that Martin Indyk reaches about the state of U.S. interests in the region, is, I think, objectively correct, but understates the problem. And I think Michael Hudson has described the problem of Arab attitudes as well as anyone can.

I would like to come at this from a slightly different angle. Maybe a more historical perspective would be useful.

PESSIMISTIC ABOUT FUTURE

While it is true I believe that U.S. interests today are reasonably well defended by the positions we have established, I am profoundly pessimistic about the next decade.

I see the Middle East region, and particularly the Arab part of the region, in a very unhappy epoch. Whereas a decade ago the prospect of wealth from oil wells and the prospect of modernization of society was giving a kind of optimistic spin to Arab attitudes toward the West and the United States as the key symbol of the West, today it is quite clear that disillusion is the main theme among Arab elites, disillusion with the United States, with their own leaders, with their own economic prospects, with the Soviet model, and it is this disillusionment which is turning some of them at least again in the direction of fundamentalism.

You have never seen the Arab world any more divided among itself than it is today. The rivalries between Arab leaders and among Arab States far outweigh on a day-to-day basis nearly any of their concerns with the broader conflict with Israel.

The war in the Persian Gulf is only the most bloody and dramatic example of this, but here you have a war where nearly half a million people have lost their lives, barely noticed by the American television networks or by the American people, for that matter.

IRAN AND ISLAM

Yet the consequences of that war for the future of Persian-Arab relations, an enduring rivalry that goes back thousands of years in the Middle East, and the consequences for the future relations between the Shi'a and Sunni branches of Islam are really extraordinarily important.

And, of course, the potential threat of a gradually growing military capability in Iran against friendly moderate States along the gulf littoral, and perhaps even Saudi Arabia, is a threat that one cannot ignore.

BEST COPY AVAILABLE

So the mirage of a decade ago that the Arab world was on the resurgence and that the golden age of Islam might again be coming in a modern form; it seems that mirage has dissipated.

Simultaneously, the Iranian revolution, the defeat of the United States' friend, the Shah, and the triumph of a bitter enemy of the United States in Khomeini, at the head of what is genuinely a real revolution, one of the few real revolutions in these last centuries, that shift in the gulf area has incalculable long-term consequences.

The question of how far the Shi'a message can reach to change the face of Arab States outside Iran and perhaps Iraq is a question yet to be answered, but surely in Lebanon we see that a major difficulty among hundreds of others today is how somehow to deal with this new extension of Iranian-Shiah terror into the Lebanese caldron.

DISSATISFACTION WITH THE WEST

There are a lot of other reasons why the Arab world is a very unhappy place. I would argue with Michael Hudson, it is not just that the United States continues to support Israel more strongly than ever; that is a fine symbol and a good excuse, but it is not the fundamental problem at all in the growing disaffection of the Arab street, if you will, with the West. And the United States, for good or for ill, symbolizes the best and the worst of the West all around the world, and we cannot escape that symbolic role.

Now, there is a stalemate in the peace process and I don't think there is an awful lot we can do about it at this moment. One can argue that we should have done more visibly and more dramatically in the last year. I think one can also argue that we did about what should have been done, but that the intrinsic inability of the PLO in particular to come to terms with its own role and Jordan's weakness and inability to enter a negotiation without more blessing from the PLO than it was able to obtain, that was a fundamental problem that no dramatic United States initiative could have overcome. But this is debatable. In fact, however, that phase, I think, is over, and cannot be quickly or easily renewed.

PEACEMAKING POSSIBILITIES

We have, I would suspect, more rounds of opportunity for peacemaking in the future that we will be able to engage in, but the moment at which we engage has got to be determined by the balance of political forces in the region. Right now the balance is shifting negatively.

I think that Martin Indyk has made the right point: Peacemakers can make peace when nations in the Middle East see that it is both safe or at least safe enough to risk being peacemakers, and also when the costs of not making peace are clearly very, very high. Neither of those characteristics exist at this moment.

I think the Syrians have sufficiently intimidated the peacemakers so that no peace that is not on Syrian terms can be risked at the moment, and yet Syrian terms I think we see are not terms for peace, and not terms that Israel or the United States can conceivably support.

BEST COPY AVAILABLE

Now, we have got to do some things in this period, a depressing period, one must grant, to try to protect those U.S. interests and positions that Martin Indyk has described. Perhaps we can improve some of the style of our dealing with some of the Arab peoples and governments of the region.

But we cannot force fundamental changes on the region, and it may be that we are entering a period of a decade or more of a downward spiral in the relationship between many of these governments and peoples and the West.

PROTECT POSITIONS OF STRENGTH

If I am right, then it is important that we put greater energy into protecting and reinforcing the positions of strength we do have in the area today. One of those is obviously our improved and much closer strategic, political and diplomatic relationship with Israel, which is one of our achievements of the last 4 or 5 years.

It is true that our relationship with Israel is at a high watermark today. I think both terrorists and Americans recognize that.

But I would caution you that that is not necessarily a permanent characteristic. It is in part a reflection of a particular affinity and commitment to this relationship by the current sets of leaders in both capitals.

Political changes in Jerusalem or changes in Washington could rather quickly again bring back some at least of the tensions and countercharges that were characteristic of our relationship not very long ago. Not that the fundamentals would be at risk, but our ability to work closely with Israel in confronting a very hostile period in the region could again be very much undermined.

So I think in this particular period, when we do have an extraordinary ability to work with the Israeli Government, we should exploit this moment as much as possible to devise a set of coordinated policies, strategic, political, and diplomatic, beyond the sort of effort which we have thus far engaged in.

I don't know that it is a good idea to go very much into what those policies ought to deal with. Some of them are in the area of the strategic relationship. Some are certainly in the diplomatic and peacemaking agenda, because Israel is at something of a political crossroads. The future of its own control over the territories occupied in 1967 is a matter of deep debate in Israel. The body populace is quite divided now after 19 years of occupation, and there are trends of extremism and hypernationalism in Israel which do not bode well either for Israel's ability to reach an accommodation with its neighbors or for its ability in the long run to work smoothly and constructively with the United States.

There are also strong forces for moderation and coexistence, and leaders and peoples who are desperately anxious to find a way to avoid a permanent state of siege. The peacemakers have not lost by any means in Israel, but they have been losing a little ground in recent years as the Arab world has proved to be unable to follow Sadat's example.

I think our task in the next year or two is to do everything we can as a government and as individuals to encourage those forces within Israel and in moderate Arab capitals as well which are de-

BEST COPY AVAILABLE

termined not to allow the Middle East to slip into the hands of the terrorists or the extreme radical leaders like those in Syria.

CAMP DAVID

Finally, I would say that we do have much more of an achievement in the Camp David agreement, and the peace treaty between Egypt and Israel than many of us today recall. Although it has not lived up to the overly rosy expectations of many Israelis and some Americans, or of some Egyptians for that matter, it is nonetheless an extraordinary event in the history of the Middle East. It has changed irrevocably, the whole question of Israel's acceptance and legitimacy, for no Arab leader can ignore the fact that the strongest country now deals with Israel as a normal state, and one by one, eventually, others will have to follow.

But Fgypt is in difficulties; economic difficulties and political difficulties are apparent. We must do everything we can to strengthen these two countries that are cornerstones of our position in the Near East, strengthen not only them individually, but also their ability to work with each other to the extent that is politically feasible, especially for Egypt.

We are making some progress; slowly but surely, the chill is beginning to dissipate. Here I think the most vigorous American diplomacy possible is well warranted and in fact needed, and I am delighted to see that Abe Sofaer is out at the moment trying to bring this message and the incredible Taba affair to a reasonable conclusion.

But I hope that the Congress will not forget as it considers the importance of various countries in the Middle East, not forget the size of Egypt, the importance of Egypt to Israel and to the United States, and the genuine conservative, moderate character of Egypt today.

It is true that there are clouds there on the horizon. But I think that we are far from seeing some of the gloomy prognosis that I have read in the press recently about Egypt as being a realistic prospect for its future, so long as the United States doesn't walk away from one of the great achievements of U.S. foreign policy of the last years.

Thank you, Mr. Chairman.

Mr. HAMILTON. Mr. Quandt.

STATEMENT OF WILLIAM B. QUANDT, ACTING DIRECTOR, FOREIGN POLICY STUDIES PROGRAM, THE BROOKINGS INSTITUTION

Mr. QUANDT. Thank you, Mr. Chairman.

Many of the points that need to be made in a discussion like this have already been made by previous speakers, so I will limit my remarks to some very brief points that I want to emphasize. In the process I may miss a few nuances that we can recapture in the discussion.

THREE POLICY TRACKS

In the last 10 or 15 years, the United States has protected its interests in the Middle East primarily by pursuing a three-track

BEST COPY AVAILABLE

policy. We have remained actively involved in trying to promote an Arab-Israeli peace through negotiations. We have supported Israel's security and economic well-being; and at the same time we have tried to maintain reasonably friendly relations with some set of Arab countries as we have pursued these other objectives.

The Camp David agreement and Egyptian-Israeli peace were the high point of this three-track approach, and they demonstrated what could be achieved at a certain point in time by this approach.

Today, however, there are trends in the Middle East that I think are working against American interests, although I would agree that the interests today are not desperately threatened. We are talking about a longer time horizon than the next few weeks or next few months when we talk about the threat to American interests.

PEACE PROCESS

Let me point out what those trends are that should concern us today. First, the peace process has really come to a halt, and perhaps more than just a temporary halt. One has to be a very great optimist to believe that further progress can be made toward Israeli-Arab peace. That does change the perception of the future quite sharply.

Second, the Egyptian-Israeli relationship, which I agree is very important, and Ambassador Lewis highlighted that, is in potential trouble. The relationship is intact, but I don't think the prognosis is terribly good, particularly once we get through the next few months. And if we get through those few months without some breakthrough on at least some of the bilateral issues, a long-term disillusionment in both Israel and Egypt with the peace process will still be cause for genuine concern.

ECONOMIC PROBLEMS

Three, the economic problems in many of the Middle East countries, particularly ones friendly to us, Egypt, Jordan, Israel as well, are very severe and are not about to go away. The problems of Egypt, for example, are deep structurally and likely to get considerably worse.

Why should this concern us? I think for fairly obvious reasons. The economic problems place tremendous strains on the regimes. They undermine their basis of authority and legitimacy. They increase the frustrations of the population and they increase the incentive of the regimes to ask us for more assistance at a time when Gramm-Rudman is telling us we can't do an awful lot more for any programs, let alone foreign aid.

The fourth reason for concern is that one strand of our traditional approach to the region, namely the cultivation of good working relations with a number of Arab States, is under considerable pressure because of our inability to conclude a number of arms transactions.

Now, I am not a great proponent of pursuing our interests primarily by relying on arms sales. But I think we do pay a price when we have a President who repeatedly promises to carry out these transactions and then finds it impossible to do so.

BEST COPY AVAILABLE

A fifth reason for concern about our interests in the Middle East is the oil picture. The oil picture today is one in which we take considerable satisfaction. Oil prices, when they go down, are on balance good for the American and Western economy and for most of the Third World, but I don't think we can be terribly complacent.

Oil prices on April 1 were below $10 a barrel and today they are at $17. What we are seeing is oil price volatility, not stable low prices. Oil price volatility is going to cause havoc in our industry, in the world.

I think low prices today probably will set the stage for higher prices in the 1990's and unless we are careful, we are not going to be an awful lot better off when the next crisis comes.

So we can't take long-term satisfaction in the oil picture when the situation remains as volatile as it is today and where a very few countries still control the bulk of spare producing capacity in the world and they happen to be in the Persian Gulf region.

ANTI-AMERICANISM AND TERRORISM

The sixth reason for concern is this phenomenon of rising anti-Americanism in the Arab world. This stems from complex reasons. I don't think there is any single source, and it is exploited by Islamic and leftist movements.

Whatever the reasons for it, it is a fact and it does affect the behavior of leaders as they look over their shoulders and see what the broader populace is saying and thinking.

And seven, of course, is this rising tide of extremism, violence, terrorism. Now, the only reassuring part of this picture is that the United States-Israeli relationship is in good repair, but even there I think one has to ask questions, as Ambassador Lewis did, about whether the kind of relationship that has predominated in the last couple of years while Shimon Peres has been prime minister will remain after the so-called rotation takes place in the fall.

We have had a history of difficult relations with the Likud government over issues such as settlements, or over their attitudes to the peace process, perhaps over their attitudes toward other issues as well.

There is something fundamentally unhealthy, I think, about the excessive degree of dependency that the Israelis have developed on American aid. So although the relationship is strong, I don't think one can be terribly sanguine about certain dimensions of it either. Certainly once the rotation takes place, there will be potential strains on the horizon.

In light of all this, I don't have any grand strategy to propose. I don't think we have any single step that we can take that will reverse these trends, and will protect our interests.

ROLE IN PEACE PROCESS

I am very unhappy with the role that we have played in the peace process in the past year, and I am tempted to conclude from our efforts of the past year that we ought to just stay out of the process. We have virtually disqualified ourselves as an effective mediator. We have been excessively timid, cautious. Compared to the quite remarkable efforts from 1974 through 1979, the efforts of

BEST COPY AVAILABLE

the last year or so are rather pale imitations. And the results reflect that.

The Israelis and Palestinians would be far better off today to go off in some quiet corner of Europe without telling the United States to see what they can work out between themselves. They after all have an incentive to get out of the mess they are in. We don't seem to think it is a terribly urgent problem. Fortunately, many Israelis and many Palestinians still do and I wish them well at their efforts.

EGYPTIAN-ISRAELI TIES

On a more constructive basis, what could we do? I think the Egyptian-Israeli relationship is one where we have the capacity to be helpful. Taba is a ridiculous issue to be left hanging. We have the capacity to help resolve it, and the sooner, the better.

Apparently there is now one word of difference in the so-called "compromis" that has to be agreed upon. If we cannot help resolve a problem of that sort, I am not sure what we are able to accomplish in the Middle East these days.

On the Egyptian economy, there are very deep and serious problems, and although the technicalities of how to help out are beyond my expertise, it is clear that special consideration needs to be given to Egypt's economic needs. Some form of debt rescheduling or debt relief might be appropriate in such circumstances. In any case, we should not be negligent of our relations with Egypt.

The third point, I think we need to try to maintain effective working relations with countries such as Jordan and Saudi Arabia even in these difficult times, not exclusively through supply of arms, but not excluding that either.

Finally, if there is the opportunity through quiet diplomacy to defuse tensions on the Israeli-Syrian front in terms of potential for a large-scale war, we certainly ought to be doing so.

DANGER POINTS

Over the next few years, what are the danger points in this picture of the Middle East? The Egyptian economic situation could produce some very nasty developments. Therefore, that is one area we ought to watch very carefully to see what the political consequences are likely to be of a prolonged decline in the Egyptian economic situation.

The Iran-Iraq war is also likely to be the source of major and perhaps very fundamental developments in the Middle East, and we need to watch very carefully to see how that evolves.

Iran's future is perhaps one of the single most important developments in the Middle East. There have been few faint signs in the last couple of months that the Soviets are beginning to adjust their policies in the expectation that Iran is going to emerge as the dominant power in the Gulf. We also need to watch these trends very carefully. If, by chance, the Soviets were to succeed in developing a strong position in Iran, it would be of great strategic significance for us.

And finally, there is the unmentioned problem of a future Syrian-Israeli war. I don't know why we have been so discreet on

62-723 0 - 86 - 2

BEST COPY AVAILABLE

this panel in talking about it when it is all over the headlines. It is not a war that will happen this week or next month. But it is a war that is on the horizon. Whatever one may think of either of these two parties to this conflict, when it comes it will have very significant consequences for the United States.

It is the one conflict anywhere in the Third World that carries with it the potential for a United States-Soviet confrontation, and even though the likelihood is that we would manage that confrontation at least as successfully as we did the confrontation in the 1973 Arab-Israel war, let me tell you, as a participant in that crisis, that it is very hard on the nerves when you get into that kind of regional crisis with all the overtones of Soviet intervention that came with it.

So, I think we do have an interest of our own, quite separate from the interests of the parties in the Middle East, to see that a Syrian-Israeli confrontation not get out of control and lead to United States-Soviet confrontation.

Thank you, Mr. Chairman.

Mr. HAMILTON. Gentlemen, thank you very much.

I would say to my colleagues, we have had really extraordinarily good statements by each of you on the problems in the Middle East.

I have been quite impressed with each of your statements and all of us are indebted to you for your analysis and the clearness and precision with which you stated them.

I want to remind my colleagues that I won't go down the line in proceeding. We want to make it informal and raise whatever questions you may have.

Mr. Lantos is asking for attention here and I am glad to turn to Mr. Lantos to begin.

We want to get as much as we can from these gentlemen.

NATURE OF MIDDLE EAST CONFLICT

Mr. LANTOS. Thank you, Mr. Chairman.

Let me first echo your comments that we are deeply indebted to all of our guests.

Needless to say, since all of you are very perceptive and knowledgeable, a good many of the things that each of you has said one is inclined to agree with.

Therefore, you will forgive me, at least for focusing on items where I find sharp disagreements with one or another points of view.

This is not an indication that I disagree with all of your analysis, but there are some points that were raised which call for a response.

While I am an economist by profession, I also would like to approach this as Ambassador Lewis did, from the vantage point of history.

We don't have an even playing field in the Middle East. I think it is self-evident that the whole history of the area offers both the Soviet Union and radicalism enormous advantages when compared to the goals and objectives that we seek.

BEST COPY AVAILABLE

I think it would be unbelievably naive to expect—and I sense this in your objection, Mr. Hudson, that if we only were to change some of our policies, then somehow our goals and objectives would become more easily attainable.

What we have here is basically a historical context which is singularly not conducive to free, and open, and democratic societies, which is not conducive to political stability, and, clearly, those are our goals.

Most of you mentioned the Israeli-Egyptian peace accord with all of its limitations. There we have a major historic—almost unprecedented—achievement of two of the major players within some kind of a peace framework. I agree with Mr. Quandt, that if that one word can be abridged, or abbreviated, or overcome, we might have at least the beginning of an agreement.

I find some of your assumptions, Mr. Hudson, profoundly disturbing for a number of reasons. It seems to me you don't change your values when the going gets tough, which is the implicit policy recommendations you are making.

Obviously, dictatorial regimes in full control of the media whip up hostile attitudes against democratic societies.

I noticed that you were born in 1938, so you did not hear the propaganda that Hitler's Germany promulgated, which also succeeded in whipping up negative and hostile attitudes toward Western democracies.

The Soviet Union is doing it. I think it would be very naive to expect Qadhafi, and Khomeini, and Assad not to do that.

While Jean Kirkpatrick had something different in mind when she said that there are always some who blame America first, I think it is important not to blame America first in this instance either.

THE CULPRITS

The culprits are to be found in the Soviet Union, in Islamic fundamentalism and radicalism, in the various terrorist groups, and not in the attempts of our various, more or less successful, State Department in trying to move toward a democratic, and open, and stable society.

It seems to me that when you are confronted with vital radicalism which is clearly what we are confronted with in much of the area, you have two options. You either accommodate to it or you oppose it.

We have chosen to oppose it.

The alternative of accommodating it apparently is not acceptable to either the American people or to our policymakers.

In this context, I would like to ask each of you to react to what I call the metamorphosis of George Shultz.

When George Shultz came in as Secretary of State, he was a former head of the Bechtel Corp., with close relationships with the Saudis and others. There was a great deal of anxiety on the part of much of the political and intellectual community that is concerned with the Middle East as to how he was going to unfold.

We all know how he has unfolded. He has unfolded by remaining true to his values. His values are the values of someone seeking

BEST COPY AVAILABLE

stable, democratic, open societies, and someone being repelled by violence, and radicalism, and a rejection of the fundamental values that we believe in.

The peacemakers are intimidated as you stated, because the principal peacemaker was assassinated. The minor peacemakers have been assassinated or driven away, and to blame the peacemakers rather than the terrorists seems to me a rather peculiar sort of allocation of blame for the predicament in which we find ourselves.

ALREADY OPEN DEBATE

A final objection I would like to make, Mr. Chairman, is that while this may be too elementary for all of us, it sort of needs to be stated.

We have an open debate on this issue all the time, and your call for an open debate, Mr. Hudson, puzzles me.

I have been debating this issue for many decades, as you have and many others have.

We are doing it in the Congress. We are doing it in the media. We are doing it in the academic community. I have difficulty grasping what is meant by a open debate.

There is a very lively, very active, very interesting, often even high-level debate of which this particular seminar is a part, and I want to commend our chairman for convening it.

I think it is a brilliant idea, and it certainly brought together four eminent experts.

I think it is inappropriate to call for an open debate because that can only imply we have not had one and that is so palpably not the case that I am puzzled by the request.

Let me stop here, Mr. Chairman.

Mr. HAMILTON. I will open it up for any comment that the panel wants to make in response to Congressman Lantos' observations.

Mr. Hudson.

Mr. HUDSON. Thank you.

Mr. HAMILTON. After Mr. Lantos' name, I have Mr. Solarz, and Mr. Levine, then Mr. Smith.

Mr. HUDSON. Since most of Mr. Lantos' comments, I think, were directed to me, I will go first, but I will not go long.

I think if I can touch at least on a couple of the observations you made——

Mr. LANTOS. Please.

WHAT WE CONFRONT IN REGION

Mr. HUDSON. I think that everybody on this panel that I have heard so far would agree that we are looking to a time of trouble ahead in our relations with that part of the world, and it may be unbelievably naive of me to suppose that certain changes in U.S. policy might ease that.

I don't think I am being unbelievably naive. I think it is a question of degree, and I would certainly accept your observation that this is a region in which there are many troublesome aspects.

But I think it is important, as we face this time of troubles, not to be too discouraged, not to be nihilistic about the kind of situa-

BEST COPY AVAILABLE

tion we are facing, and I detected that in your comments. Perhaps I was wrong.

It seems to me that, despite all the problems out there, we are not dealing with governments, or with public opinion, or with people that are totally irrational.

I think that because there are specific genuine issues over which people disagree, then some kind of policy action, whether it is a peace process, or a negotiation, or a policy shift of some sort, whether it is style or whether it is substance, could, in fact, ease the problem.

I don't think it is an all-or-nothing matter.

I didn't mean to give that impression. But I do believe that this particular issue and the question of the extent to which the United States does or could pursue a more evenhanded policy with regard to Israeli and the Palestinians provides us an opportunity through which we could, if we were to become slightly more evenhanded, ease the problems.

I think that we are looking now to a period in which the climate of opinion out there is also exacerbated by some of the social and economic problems that Mr. Quandt referred to. These problems make it even more difficult for governments to manage, or control, or mitigate these violent expressions of political protest.

ARAB LEADERS' PROBLEMS

What I hear from officials and opinion makers who are connected with governments with which we are more or less friendly in the Arab world is this: they say, and they say it in a tone of urgency and pleading, "If you could only be a little more understanding of this particular issue, these Palestinian grievances, if you could be just a little more flexible on the question, say, of dealing with the PLO and with its present leadership, then it would be easier for governments that are feeling increasingly beleaguered to feel that they can continue to deal with the United States; there is hope."

But without that evenhandedness—and every time we use the military weapon, however morally justified we may be in using it—it becomes increasingly difficult for those governments to feel comfortable with their own people in having a special relationship with the United States.

So, I think it is a problem. I think, though, that the United States is not yet completely at war with the Arabs and Muslims, although the trends seem to be pointing in that direction.

I would just hope that in the course of things we might be a little bit more sympathetic to serious political issues that some of our friends out there have.

Maybe it won't work, but I think it will. I think it is worth a try.

As for the question of open debate, I think the point of my suggestion refers not so much to openness, but as to depth.

As you said, these are complicated issues. There are many ramifications. We could, and I think we should, explore them. We should not hesitate to reexamine old assumptions and the conventional wisdom about our past policies and commitments.

BEST COPY AVAILABLE

But I maintain that a focused and serious great debate and reassessment would be a very good idea to undertake now; and I think it is the kind of thing that should take place in many different forums and over a period of time.

So, I don't mean to suggest that debate to this point has been closed. I just think there should be more of it.

Mr. HAMILTON. The Chair is very much aware that our time is short and I would like to encourage members and panel members to be as brief as they can.

I have got a pretty good list here.

Ambassador Lewis wanted to make a comment.

SECRETARY SHULTZ'S CHANGE

Ambassador LEWIS. I will try to put this telegraphically, then.

With respect to the transformation of George Shultz, I think he reflected in that transformation, if indeed there was one——

Mr. LANTOS. Metamorphosis.

Ambassador LEWIS [continuing]. Metamorphosis, a trend which a good many other Americans have been undergoing in recent times.

The advent of the terror weapon we see now directed more obviously and frequently at Americans on the one hand, the patent ridiculousness of deploying American power in a token fashion in Lebanon, but then being unwilling or unable politically to use enough of it to do anything other than enrage the beasts, and the demonstrated capacity of Syria, by intimidation and terror, to destroy a darn good agreement that he had negotiated between two countries that needed it—I think all of those factors made him begin to look a little differently at the question of how much credibility the American people and its Government had lost in the Middle East and the need to confront, not just diplomatically and with allies, but also directly, state-sponsored terrorism, in some more effective fashion.

I want to make one other comment that relates to Michael Hudson's debate with you.

I think there is something that we need to do in the way we handle our policies in the Middle East which can mitigate, though will certainly not change, the dreary facts of evolution in the region that we have been discussing.

It relates to this issue of how to fight terrorism.

I am not a great admirer of the use of air power to go after terrorist or even the backers of terrorists not only because there is no such thing as a surgical strike, really, no matter how many times the Pentagon tells you there is. There are always going to be innocent people damaged in such strikes.

But, also, because that kind of demonstration of American power cannot help but complicate the lives of friends of the United States in Arab governments of some moderation, as well as elsewhere in the world.

It does inflame public opinion to see a big guy picking on a little guy. I believe we needed to do something very strongly against Libya at this point because we had dilly-dallied so long doing nothing; but to repeat that kind of air strike is only going to make our problems in the Middle East much more complicated.

BEST COPY AVAILABLE

ROLE OF SYRIA AND ASSAD

Why is it that Mr. Assad is so feared?

Why is it Syria, a small state, basically a weak state, with a powerful protector, has become such a cock of the walk in the Middle East?

In part, because he has a very high credibility about carrying out reactions against people who do things he doesn't like, but he doesn't do it by aerial bombing. He does it by all sorts of other means, many of which are well known to this committee.

I believe, as people in this administration believe, that we need to use the covert arm of this Government to counter terrorism, primarily, combined with very active efforts with our allies to strangle economically and diplomatically those countries that support terrorism.

And by using that sort of measure which have a "deniability" to them as Assad uses deniability, as the Russians use deniability, you have a much better chance of mitigating the impact on the public and the reaction against friends of the United States in governments in the area when this war—and it is a war—goes on during the years ahead.

So style does have something to do with the outcome.

Nobody has mentioned the Russians, Mr. Chairman. That was one of your questions.

I think we do need to engage more actively with the Soviets diplomatically over the Middle East, not, I hasten to say, to try to figure out a formula to impose peace on the area. That is not on. It won't work. We shouldn't try it.

But we ought to be much more actively engaged in warning the Russians about the dangers we see in allowing some of these issues in which their own client, Syria, is very much involved, to go untended.

And I think that our Government would be well advised to stay closer to the Soviets.

There are some marginally shared interests. But the biggest one is the one Bill Quant has pointed to, the shared interest of avoiding a real United States-Soviet confrontation in that war, which I agree with Bill, is not coming tomorrow, but is certainly on the horizon.

Mr. HAMILTON. Thank you.

Mr. Solarz.

POSSIBILITY OF CONFLICT

Mr. SOLARZ. Thank you very much, Mr. Chairman.

Let me join with Congressman Lantos in paying tribute to you for organizing this session, Mr. Chairman, and to the panelists for the depth of their presentation.

I just have a few questions which I would like to lump together, if it is OK with you, and then ask the panelists to respond.

First, do you agree with the proposition that in the absence of any significant progress toward peace between Israel and its other Arab neighbors and the Palestinians that sooner or later another war in the Middle East is either inevitable or highly likely?

BEST COPY AVAILABLE

And to the extent that there would be another war in the Middle East, how likely do you think it is that Jordan and Egypt will be able to stay out of it?

I also would like to ask you whether you think there is any conceivable thing which the United States could do to get the peace process moving again? Or is there literally nothing we can do at this point in those terms?

I am also interested in your judgment about the extent to which, should a peace process begin once again, the highest level U.S. involvement, by which I mean either the Secretary of State or the President, is essential if there is going to be any progress in that process?

Finally, particularly for Ambassador Lewis, we all know for many years now that the American position on the Arab-Israeli dispute has been that there needs to be a trade of territory for peace if some kind of settlement is going to be achieved.

Israel has now controlled the West Bank and Gaza for 19 years. In fact, in the next few weeks, it will have controlled them for longer than Jordan did prior to 1967.

In your view, based on your many years in Israel and your knowledge of Israeli society, has a point of no return been reached, in which it is simply not realistic even in the context of the most forthcoming Arab offer to make peace with Israel, to expect the Israelis to agree to any significant territorial concessions on the West Bank and Gaza? If so, what are the implications for the peace process and American policy in the region?

Perhaps starting from my left to my right here, Mr. Quandt, if you would take a crack at those questions.

TENSIONS IN REGION

Mr. QUANDT. Just very quickly, I will respond to some of them.

Unfortunately, the Syrian-Israeli conflict has reached the point where it does not depend critically on whether there is or is not movement toward peace between Israel and Jordanians and Palestinians.

You could conceivably have a Syrian-Israeli war even if you were making pretty good headway on the Jordanian-Palestinian part. In fact, it might be stimulated by such a move.

At the same time, without a movement toward peace, you are also likely to face the problem. So, it has a dynamic and life of its own based on the extraordinary military buildup that has taken place on both sides of that border.

That doesn't mean the peace process is irrelevant. It is relevant to things like the Egyptian-Israeli relationship. It is possibly quite relevant to the role that Jordan would play in such a confrontation.

There has been a tentative move toward Jordanian-Syrian rapprochement. If the war were to happen in such circumstances, I think the Israelis would be very tempted to look at Jordan as an adversary, which they are not eager to do. But the temptation comes from the fact that it is very hard to move directly toward Damascus across the Golan Heights.

BEST COPY AVAILABLE

There are five or more Syrian armored divisions behind fortifications in that area, and if the Israelis are tempted to move on Damascus, northern Jordan is the passage through which they might be tempted to move. If there were an active Jordanian-Israeli negotiation, that would change that part of the consideration and, therefore, the war might not broaden in that direction.

But without a peace process, Jordan simply doesn't matter that much in Israeli thinking, and especially a Jordan moving into alignment with Syria almost looks like a cobelligerent once you get to the point where war seems imminent.

So, there are variations on this theme, but a Syrian-Israeli confrontation could take place with or without movement in the peace process.

GETTING THE PEACE PROCESS MOVING

Is there anything we can do to get the peace process going again? I have almost given up on us. I don't think so. I think the initial breakthrough has to come now from the parties to the conflict. I say this with great regret and against a whole background of saying we ought to do more. But I think we have disqualified ourselves for this round.

If progress is going to be made, there is going to have to be something coming from the Israelis, and the Palestinians.

Israelis and Palestinians should recognize that without some move on the peace front they are really fated to a very, very unpleasant future.

If they could make that breakthrough and at some point say, "Look, we have got something in the works, but we need some help; we can't make it all the way to the end on our own," of course, we ought to be willing and eager to help, and at that point the question arises, at what level?

I have great respect for all the emissaries we have sent to the Middle East in pursuit of peace, but as an analyst and historian, I can only point to success when the President and Secretary of State have been deeply and intimately involved.

All of the other efforts have failed. It is not because of the quality of the men we have sent on the mission. It is a very understandable fact of life in the Middle East that if you are counting on the United States to play a role, you don't play your trump cards to a Presidential emissary; you play them in a face-to-face talk with the President or his most senior representative. That is the level at which serious political bargaining takes place. You hold back on those concessions until you finally have that political discussion, not just a diplomatic discussion about, "If I do this, what can I expect to get for it?"

That is a discussion that no emissary ever can conduct, because he is not authorized to. A President can and a Secretary of State can.

So, when we get serious, we move our main players into the arena. We did it with Kissinger. We did it with Nixon. We did it with Carter. We did it with Vance. Each of those men has something to point to with pride. All of the other efforts have come

BEST COPY AVAILABLE

short of success. But I don't think at this point it is a presidential or State Department initiative to take.

It is going to have to come now, alas, from the parties to the region. They may be too weak or too paralyzed to do it. But I think we just have proven we can't break the deadlock on our own.

OUTLINES OF SETTLEMENTS

Ambassador LEWIS. I will answer the question you asked me, Congressman Solarz, particularly. I think the point of no return has been reached in one particular sense. The classic formula, a trade of territory for peace, in my view, has gone the way of history.

There are too many Israelis now committed to living in areas which would have to be part of that trade.

I do not think history has been bypassed on the possibility of a settlement, but only with respect to that classic territorial compromise settlement.

I think the only outcome that can stand the test of time, if it can ever be achieved, is something very much like a Benelux Federation in which Israel and Jordan are bound in a loose confederation of economic as well as political nature, each sovereign.

The West Bank and Gaza should also be part of that federation with very large self-governing powers, but it must be possible for Jews to live in those territories as it is for Arabs to live in Israel.

But there can be only two sovereignties, and only two countries with armies.

Now, how you get there at this point I can't tell you. I think the peace process is stalled and nothing we would do today could get it going .

I agree with Bill Quandt, but I think equally dead is the possibility of a simple division of the West Bank between Jordan and Israel.

Yet, it is clear, as well, that no Israeli is happy with the prospect of permanence of the present situation.

There are those who believe that annexation of the territories would ultimately solve the problem, because the Arabs would come to accept it once they knew it was permanent.

And they ignore the problem of the large Arab minority within the State.

But there are many others, not just in the Labor Party, who fear the changing character of their Jewish democratic state which would come from a prolonged annexation or occupancy, and that issue is up for grabs politically in Israel today.

It is unresolved. But it is still resolvable on the side of a settlement. If another 19 years goes by, though, then I doubt it.

WAR IS NOT INEVITABLE

Mr. INDYK. I will just address myself to the question of peace and war.

I think that the dictum that in the absence of peace, sooner or later we are going to have another war does not necessarily apply to this situation we face.

BEST COPY AVAILABLE

It is a qualitatively different situation precisely because of the Egypt-Israel peace treaty.

As long as the largest, most powerful Arab State is in a condition of peace with Israel, cold or warm, it becomes much more difficult for the others to contemplate a war, particularly Syria.

So, I think that there is no necessity for war if you don't have progress in peace.

On the other hand, I would say the problem with Syria and the danger or war with Syria lies in Syrian miscalculation about the willingness of Israel and the willingness of the United States to stand up to what are Syrian incremental moves to see just how far they can go and what they can get away with.

It is that problem that we have to address, sending signals that Assad understands as a way of deterring that war.

I would say it is a very dangerous risk of miscalculation because Syria is systematically building the means to undermine Israeli deterrence, and therefore, it is important for Israel and for the United States to reverse that signal.

On the question of whether Jordan and Egypt would come in, I think that Jordan will be under heavy pressure.

It is not just that Israel would have to use the northern corridor but that Jordan would be in a situation where Syria, leading the Arab world to war, would place Jordan in a very difficult situation, and Jordan would find it difficult to stay out.

U.S. PERFORMANCE IN PEACE PROCESS

Just in response to Bill Quandt's argument, I think we should be careful about criticizing the U.S. performance in the peace process.

I think that there is a lot of blame to go around, but in particular, blame should rest on Jordan and the PLO for their failure to come forward in the final analysis.

This was a different situation to what Bill Quandt faced in the Carter administration where you had Sadat committed to negotiating with Israel.

Unfortunately, what we faced here was a prenegotiation, and it was impossible, given the balance of forces in the Arab world, to create a situation in which Jordan and the PLO would come forward.

The Israelis and Palestinians talking together is a marvelous idea.

The trouble is, which Palestinians?

The PLO has not been prepared and is not prepared to negotiate peace with Israel.

I think it would be wonderful if other Palestinians stepped forward, and I think that is where the United States should focus its attention in terms of trying to encourage, together with Israel and Jordan, those who are willing and want to do it. We should be encouraging Palestinians in the territories, who after all are the ones who are most affected by this continuing situation, to come forward and deal with the Israelis.

Thank you.

BEST COPY AVAILABLE

Mr. HUDSON. On Congressman Solarz' first question, I think another war is coming if there is not some kind of renewed progress on some kind of a peace process.

On the second question, what could the United States do? I don't agree with Mr. Quandt that the United States, should simply throw up our hands and give up on trying to promote a peace process.

I think we have the means and the skills to continue to play an important role and it is vital for the American interests that we continue to do this.

I think we should just try harder.

There are two ways in which we could revive this process within the framework of the Jordanian-Palestinian confederation.

One is maybe just a stylistic point, but it is important. It is to recognize that the Palestinians do have a right of self-determination within the context of a Jordan-Palestinian federation.

The other is to try a little bit harder to promote the venue, the setting of an international conference that might, in fact, involve the Syrians and Soviets and thus mitigate the immediate war threat that we see.

Mr. HAMILTON. Mr. Hudson, let me interrupt you.

I think we have a vote pending. I am not quite sure what the situation on the floor is, but I think it is just a quorum call.

Mr. SMITH of Florida. Now it is with three lights, and it didn't seem like 5 minutes from the last bells.

Mr. HAMILTON. I am informed it is a quorum call, and there is an additional 20 to 25 minutes debate on the Michel amendment. We will vote on that and then final passage.

So, I think we can go vote and come back and have an additional 20 or 25 minutes discussion if that is all right with our panelists.

The subcommittee will stand in recess for a few minutes.

[Recess.]

Mr. HAMILTON. The committee will resume its sitting.

Mr. Levine.

Mr. LEVINE. Thank you, Mr. Chairman.

In light of the fact that we have a few additional minutes, let me make one preliminary personal comment, which is that this is a special delight for me. I want to join my colleagues in complimenting the chairman for putting this panel together, and I want to compliment each of you for your superb statements.

The reason it is such a personal pleasure for me is that I couldn't help but reflect while I was listening to the four of you, and particularly Bill Quandt, that 26 years ago I was sitting in a high school social studies class with the best social studies teacher that I ever had talking to me and my classmates about world affairs, and that teacher was Bill Quandt's father. And so there is a continuity to all of this. The apple doesn't fall far from the tree.

Let me make one comment, and then try and ask three brief questions of each of you.

BEST COPY AVAILABLE

U.S. POSITION IN ARAB WORLD

The comment is that in several of your presentations and in particular in Professor Hudson's presentation, the point was made that the United States perhaps may be losing some influence in the Arab world and that there are perceptions in the Arab world that are leading to this diminution of American influence.

The comment I want to make is that I feel that each of you can play a very constructive role in helping to ameliorate this to a certain extent, because I believe that some of these perceptions in the Arab world come from a misreading of perceptions in our country. I think we have seen a recent example of that in the context of the press coverage of the treatment of the Congress's rejection of the proposal to sell arms to Saudi Arabia.

That press coverage for some reason, and I frankly have been extremely disappointed by the coverage, seemed to grab the notion that the vote reflected some sort of anti-Arab sentiment in the Congress, when I think nothing could be further from the truth.

In fact, the vote reflected some very deep dissatisfaction on the part of a bipartisan majority of the Congress with Saudi performance in the recent past. But to conclude that that reflects an anti-Arab sentiment is simply a misreading of the Congress, a misreading of the debate, and a misreading of reality in this country.

The fact is that we provide to the largest Arab nation the second most generous allotment of our foreign affairs dollars in our appropriations for Egypt. We have, and without going through the whole litany, I think we have been generous and certainly forthcoming in our appropriations for Jordan, for a variety of Arab countries.

And I just would suggest that in the context of communicating from Washington to the Arab world, perceptions and attitudes do exist and it is counterproductive and inaccurate to allow the perception to remain unchallenged that what has been happening in the Congress in the context of special arms sales proposals has anything whatever to do with the anti-Arab sentiment. I think that is just plain wrong, and that inaccuracy has not been pointed out strongly enough.

I think for those analysts of Middle East policy who are here, a constructive activity on your part might be to help communicate some of the inaccuracy of that press reporting.

With that said, let me just raise the three questions that I have.

JORDAN, SAUDI ARABIA, AND IRAN

Mr. Solarz got into the area that I feel we really do need to explore in as much detail as possible, the question of the peace process. I was intrigued by what I perceived to be a significant difference in Bill Quandt's response on the one hand and Sam Lewis' response on the other hand.

As I understood Mr. Quandt, he seemed to be saying that the principal Arab actors in this process need to be the Palestinians and it seems to me you were minimizing the role of King Hussein at this time, and correct me if I am wrong. But it sounded to me like Ambassador Lewis' analysis continued to provide an absolutely central role for King Hussein, and if anything, diminished the at least frontline responsibility of the Palestinians.

BEST COPY AVAILABLE

So I would ask the two of you, as question No. 1, what role you see for King Hussein at this point in time in the context of any continuing peace process advancement?

The other two questions that I would ask to any of the panelists who would like to respond to them are, first, what is appropriate for us from Washington to expect from Saudi Arabia?

In the context of the arms sale debate, there was great disagreement in terms of the role the Saudis have played. There was, I think, general frustration and unhappiness with their inability or unwillingness to cooperate with us with regard to the peace process. Nevertheless, people understand they are certainly one of the more moderate Arab States and some people argued that we are simply expecting too much from them.

I would be interested in your view, what we can expect from the Saudis in connection with American objectives in the region.

Finally, I would like from any of you a general sense, from a diplomatic and military point of view, of what you perceive to be Iran's current short-term goals.

Those are the questions I have on my mind. I guess I would direct them first to Mr. Quandt and Ambassador Lewis in light of the apparent disagreement that I thought I detected from the two of you with respect to the Jordanian-Palestinian issue.

JORDAN'S ROLE

Mr. QUANDT. Thank you, Congressman, and thank you for your comments.

I think Ambassador Lewis and I perhaps do have a different emphasis, but not perhaps a fundamental disagreement, over the longer term role for Jordan and King Hussein. In February, when the King gave his speech announcing the end to this round of the participation in the peace process, he was making a very fundamental statement. This wasn't just a tactical maneuver.

I think we have to assume that for the moment that means that King Hussein is not an active player in prospective peace negotiations. If that is true, at least for the short term, who has an incentive to get the peace process going on the Arab side?

Well, I think there are still some potential players, but they all have certain disadvantages. The King was a very attractive, potential player, but for the moment he is on the sidelines.

There are still Palestinians who have a strong incentive to see a way out of the mess—much greater incentive than any other Arab party, I would say. Their difficulty is to forge a coherent position behind a coherent leadership. These are longstanding problems, and there is nothing new in saying that, but they are at least the community that has the greatest stake in all of this.

As a theoretical proposition, I can say within that Palestinian community there ought to be the potential for generating a commitment to finding a solution behind leaders who can speak authoritatively.

And I would say that the Egyptians still have an interest in seeing this process move forward, since they recognize that the Egyptian-Israeli relationship is always going to be somewhat tenuous in the absence of further movement in the peacemaking.

BEST COPY AVAILABLE

Interestingly, the Egyptians are still pushing rather hard for getting some kind of dialog going, including the Palestinians with the Israelis. Out of that mix—Egypt, the Palestinians, and eventually Jordan—you will have the appropriate players on the Arab side.

For the moment, however, the King has chosen to take his distance out of profound pessimism that anything will come out of it, not out of hostility toward the concept of peace, but out of deep pessimism that this is the moment when the risks would be warranted.

THE SAUDIS

On the very interesting question of what we can expect from the Saudis, I think it has always been a mistake for us to try to defend arms sales to the Saudis by saying that they will then support all of our goals in the Middle East, and particularly our goals on the peace process.

This mistake was made in 1978 with Carter when we sold the F-15's. Some, not all, American officials implied that this would generate Saudi support for the peace process, and it didn't. This was again true in 1981 with the AWACS sale, and again the answer was the same.

So I think we have pretty conclusive evidence that the Saudis are not going to bend to our concept of the peace process, no matter what we sell them on arms.

The question is whether there are other things that the Saudis do that are of value to us. What do we get out of the relationship as a result of selling the arms? Where do we agree?

We agree on things like Afghanistan. Ask who has been supporting our efforts in Afghanistan; the Saudis have. We agree that Iraq should not lose the war. These are all things that are in Saudi self-interest. That is, I think, what we can expect the Saudis to do.

We probably make a mistake in exaggerating how far they will divert from what they define as self-interest.

The question is whether that is enough for us to build a relationship on. I think, on balance, the answer has been, yes, we get something out of the relationship. We have access to facilities, to intelligence information through the AWACS. We have a window on the gulf, which at a time of the Iran-Iraq war is terribly important. And the alternative in Saudi Arabia, were there to be a different regime, is likely to be considerably more hostile.

But we have a problem in part because of the way we debate the transaction, and that is in the way we oversell the case. I would like the administration to say we are not doing this because the Saudis are angels or they will support the peace process, but because we have tangible security interests in the gulf—X, Y, and Z, here are the benefits we get—and this is why we ought to go ahead with it. If we can't make that case, I don't think we ought to be in the business.

Iran's current goal? To topple Saddam Hussein, the sooner, the better.

BEST COPY AVAILABLE

SAUDI POSITION

Ambassador LEWIS. I would like to second Bill Quandt's comments about the Saudis. He is the expert on Saudi Arabia but I couldn't agree more that the problem has been miscast and is a misunderstanding of what the Saudi foreign policy priorities are.

To think that the Saudis would ever confront other Arab governments in order to carry out a strategy that we were pressing was just fallacious and runs contrary to all of Saudi history.

We made this error with respect to the Lebanon war though they were marginally helpful at times. But in the crunch they certainly were not going to run the risk of making Assad mad by pushing him to do something which he didn't want to do.

The same has been true on the peace process over and over again, and we have been deluding ourselves, that is the administrations and some people in the Congress, have been deluding themselves about what Saudi Arabia is like.

It doesn't mean it isn't darned important to the United States in its own right in this area. I think Bill's point is extremely well taken.

ROLE OF KING HUSSEIN

On the question of our disagreement, and I think there is a little more of a disagreement than Bill is suggesting. Fundamentally I don't think he would disagree that a solution probably has to involve King Hussein and Jordan. I don't disagree that King Hussein has currently thrown up his hands and said you Palestinians get your act together and then come back to me—basically I think that was his message. But I think one has to stress over and over again that in Israel and for Israelis at this point in history there is little chance anyway of achieving a solution but a solution can only be politically viable in Israel if it is anchored in the State of Jordan and with the Jordanian monarch in whom the Israelis have some confidence, not total but some.

That doesn't mean that the Palestinians are excluded. They cannot be excluded. Clearly Hussein cannot move without Palestinian support. But I don't think it is wise for us to go the track of thinking a deal can be struck between Israel and the PLO—that is really what is being said—and then Hussein will kind of ratify it and put his umbrella over it.

That won't sell politically in this period in Israel, much less next year or 3 years from now unless the unexpected happens, the PLO changes its spots, renounces terror and incidentally, I think terror is the key issue.

PLO AND ISRAEL

The PLO is rejected by a large percentage of the Israeli populace not because it has not accepted U.N. Resolution 242. That is part of our formula. It is a nice, diplomatic thing to stick on and it is important. Even this business about Israel's right to exist is not as powerful an argument as it once was.

Israel exists. It has a peace treaty with Egypt, that is what I meant earlier. The issue of legitimacy in a certain sense has been

BEST COPY AVAILABLE

overcome. But the refusal of the PLO to change its declared policy toward the future of the State of Israel, combined with repeated evidence that even Fatah and the mainline PLO leadership still launch terror operations while also talking about peacemaking makes it really politically impossible for Israeli leaders, no matter how they may feel personally, to consider a change of policy toward negotiation with the PLO.

If that is going to change, it is going to change because the PLO adopts a different strategy. From what I can see of their current course, they are much more likely to adopt the other strategy, to reject even the limited path toward negotiation that Arafat seems to have been on, and in fear of their more extreme wings, move back toward a tougher terrorist policy, not an easier one.

I think here again U.S. policy is very, very important. If we show any ambiguity in our reaction to that shift, and if we send mixed signals at the same time they are mixing their signals, we are really going to make negotiations impossible.

THE SAUDIS

Mr. INDYK. On the question of Saudi Arabia, let me throw another bouquet at Bill Quandt and say that his book on Saudi Arabia did a great deal to reduce the expectations of Saudi behavior. The fact that the expectations still exist can only be explained by the excuse that the administration had not read the book, Bill.

Mr. LANTOS. They have not even read the Stockman book which they should read.

Mr. SMITH of Florida. Hope springs eternal, though.

Mr. INDYK. In terms of what we should expect from the Saudis, one thing which has not been mentioned is Saudi policy toward Egypt. Just as they have a common interest in terms of Afghanistan, they have a common interest with us in insuring that we do not have a radical regime in Egypt. And I don't see any reason why we cannot go to the Saudis and say this is something you can do for us, this is something that will help the peace process, you can help them economically, it doesn't have to be visible and you will be at the same time helping yourself. And it seems to me that this also could be something that could be held up to Congress as a sign that the Saudis have been acting not only in their own interests but in our interests as well.

KING HUSSEIN

On the question of the role for King Hussein, I think it is important to point out that no doubt Bill is right about the King's current state of pessimism but the King's future and the future of the Hashemite dynasty is inextricably linked to the Palestinian question.

He has a majority of Palestinians on the East Bank of his country and for historical reasons, reasons connected with his grandfather and the fact he lost the West Bank, he is concerned about the West Bank Palestinians as well, and particularly concerned about the impact that whatever happens on the West Bank can have on the Palestinians in his country.

BEST COPY AVAILABLE

So he cannot be ruled out. He will not be ruled out. I would say it is in American interests and Israeli interests as well as his own that we assure that the King does have a primary role to play. Whenever we come to a solution there will be a problem as to how to control the ultimate aspirations of the Palestinian leadership. And the King has a vested interest in controlling that as we do and as Israel does.

PLO AND PALESTINIAN ISSUE

Mr. HUDSON. I don't want to complicate matters, but I think that on the question of the PLO and the disposition of the Palestinian issue, despite the substantial weakening and fragmentation of the PLO in recent years and despite the overwhelming balance of power that certainly works against the Palestinians, I think it still would be a mistake to underestimate the force of the Palestinian issue in Arab politics in general. I think King Hussein is well aware of that. He is in an extremely difficult position. I think what is needed both for King Hussein—and also for Saudi Arabia if one wanted to elicit greater support from Saudi Arabia in these matters—is the development of a formula that deals satisfactorily with the irreducible minimum of Palestinian claims. That involves—and I guess I would disagree to a degree with Ambassador Lewis—territory. I think the reason that the Palestinian component of Camp David failed was that it did not deal quite sufficiently with the basic question of territory.

It is an unpleasant and difficult problem but it is one that one must face. I would agree with what has been said about Saudi Arabia in trying to build our relations with that country in terms of specific security interests. But it is also important for politicians in Saudi Arabia that any peace process that develops be one that does not appear from an Arab or Palestinian point of view to be a sellout or surrender. That is the trick.

My conversations with Saudi officials indicate that they would like to be helpful but there are certain things that they simply cannot support and the trick is to get over that threshold.

Mr. HAMILTON. We will conclude with Mr. Smith's questions, because we have been at it for a while and the vote is imminent.

Mr. SMITH of Florida. Thank you, Mr. Chairman.

I have found this fascinating and I really congratulate you for convening this panel and allowing us to do it in this forum.

I want to congratulate all the panelists. They certainly represent a good, broad spectrum of all the views. I would love to be able to get, Mr. Chairman, Mr. Quandt and Mr. Murphy in a room together, the eternal optimist and eternal pessimist and maybe there is a middle ground that could be worked out that we could fine.

I really am also very happy to hear that for the first time in a long time some public reality about Saudi Arabia and Egypt and some of the other countries in the region. I think it is refreshing that there are people willing to stand up and say that these problems exist and not try to coat the pill as much as they do.

I think the Ambassador and Mr. Quandt have been absolutely correct in that regard.

BEST COPY AVAILABLE

Let me ask you three questions, and then you can go down the line.

First, if the United States ought to get out of the peace process. That is a corollary I will put out based on Mr. Quandt's theorum.

What catalytic force do you suggest would take over if any.

What is going to keep that process alive if, in fact, you believe Mr. Quandt's theorum that we should just bow out of it, is there anything that will take over or do we leave the vacuum to suck itself up enough to be able to continue some form of it? Or do we let history push the tide alone as it has in that region?

If you don't accept that theory, what would you do as far as the U.S. role is concerned?

How would you change it, modify it, et cetera?

SAUDI INTERESTS

Second, I wish you could tell us the sort of long-term interests of Saudi Arabia. I find myself puzzled by what I seem to see as their short-term actions which I believe are detrimental to their long-term interests from my perspective. Again, I don't view it with their mind. It is difficult not looking from their eyes to find what really is in their interests.

How can we as a country appeal enough to their long-term interests to get them to change some of their basic policies, not all—I think Mr. Hudson is correct. Not all their policies. We don't expect them to fall into line with us. That would be more than we could possibly manage.

We don't get that from our closest allies at all times. But how can we to some degree make them aware that there are short-term goals that can be achieved between us, Afghanistan and again, Mr. Lewis pointed out, is one, and I think it was pointed out, by Mr. Indyk, the example of Egypt which I think is an extraordinary cogent example of where we could cooperate.

Saudi Arabia doesn't seem to have been that helpful in bringing Egypt back into the Arab fold or bolstering Egypt to go out and help achieve peace beyond where it is with the PLO, et cetera.

THE PALESTINIAN QUESTION

And the third is if you can quickly, where you perceive the role of Arafat and his faction of the PLO and by the way, somebody mentioned the fact that the Palestinian question will always be one of the major ingredients in anything. I think that is true. But you know, many of the Arab countries in the area in my estimation use the PLO constantly, and that question as a convenient excuse to avoid having to deal with the problems of the 1980's.

Much of the Middle East is still rooted back in feudal thought it seems to me, some of their countries are ruled with that kind of political leadership and they really do use the Palestinian question as an excuse for not having to deal with anything.

How can we make them mature enough to be able to overcome that? The year 2000 is close upon us. That is a long way from where I think they are thinking in terms of.

And the role of Egypt in terms of the peace process, how we can help them to move along with what I think the Egyptians want to

BEST COPY AVAILABLE

be and that is the forefront of trying to push Camp David beyond its parameters of the present moment.

That is an assumption that we can get Camp David to work beyond its own parameters.

Mr. HAMILTON. I am told the vote will occur around 12:12, so our time is fairly brief. I urge you to try to respond briefly if you can.

Mr. Hudson, do you want to start off and we will go down the other way.

THE SAUDIS

Mr. HUDSON. Sure.

On the first question of Mr. Smith, I think I share your sense of concern: If the United States is not involved seriously in some way in the peace process, will there really be one? I am inclined to think at the moment that there won't. I think that chaos will be the result, and we will all suffer from it.

On the question of Saudi Arabia's long-term interests, I think in my experience the Saudi leadership approaches politics with two minds; they have two basic kinds of concerns. One is the sort of national moral religious concern, and it is very important for the legitimacy of this system that its leadership act within the terms of moral obligations of the Saudis, Arabs, and Muslims on the questions of the Palestine, Jerusalem, and the Arab nation, and so on.

Even though some Saudis might not take that as seriously as some others, clearly there are important elements in Saudi Arabia, perhaps increasingly important ones, that are increasingly concerned that Saudi Arabia take a stand of principle. From the point of view of diplomatic compromise, that may be meeting the problems.

The other area in which they focus their attention is in this area of legitimate security interests. It seems to me that the inability of the Saudis to acquire the weapons that they feel they need to protect those interests, and the humiliating experience they have to go through to get approval for those sales, is a serious problem. And they—as you, no doubt, have heard, are not very happy about their special relationship with the United States.

It is not easy to formulate a policy that takes into account both of these dimensions, but it is possible.

ARAFAT

On the role of Arafat, my view, very briefly, is that he is still very much in control of the PLO; that he does represent within the context of Palestinian and Arab politics a relatively moderate position; and that he is prepared ultimately to accept a two-state solution in which the security and legitimacy of Israel is formally recognized. But certainly the trend of events in the region, as everybody has indicated here, is working against that kind of moderation.

I would agree with you that the question of how the Arab States and the Arab world have or used or handled the Palestinian issue is a matter of real distress, and you can talk to any number of Palestinians who would agree with you fully on that point.

BEST COPY AVAILABLE

PERIOD OF REFLECTION IS GOOD

Mr. INDYK. I will go very quickly.

As far as the United States pulling out of the peace process, I don't think that is really the problem. We cannot be in a position of wanting peace more than the parties to the process themselves. A period of reflection is what is needed now to see what they really want to do.

When we get a clear indication of what they—the Palestinians—Hussein and Israel—are interested in doing, that is when we should move. And jumping in to fill a vacuum in the absence of their desire to move can only be counterproductive for U.S. interests.

As far as the general question of Saudi Arabia and the peace process, I would go back to my original statement that we will not have the Saudis or the Egyptians doing the sorts of things that we expect them to do toward Israel to make the peace process viable until we address and redress the balance of forces in the Arab world in which the radicals are dominant at the moment. And until we work out a way of doing that, working with our friends to do that, we cannot expect the Saudis or the Egyptians to take steps to improve the process.

As far as Arafat and the PLO, let me say simply that he had his chance to prove his moderation that Professor Hudson talks about, and he blew it. And that is what King Hussein says; not what I say.

BALANCE OF FORCES IN REGION

Mr. SMITH of Florida. One thing, the balance of forces, the radicalism, if you took Saudi Arabia and Egypt and tied them together, giving Jordan some further firmer basis from which to move, and got other states at least to move on to the line of not being on one side or the other, wouldn't that have a tendency to balance forces without really having to put any other assets in the region?

Mr. INDYK. No; simply because the Saudis will not be out in front on this. The Saudis want consensus in the Arab world, will work for that in the Arab world, and consensus in the Arab world in a situation where Syria is so dominant means that the lowest common denominator is Syria's position—not Egypt's or Jordan's position.

Ambassador LEWIS. On the vacuum question, we can't really get out of the peace process. The United States cannot be, on the other hand, anything but in favor of peace in the Middle East. We have too many reasons why that has to be doctrinal as well as real.

The issue is how active we are at what moments. I agree with Martin as far as the tactics are concerned here. If we were to withdraw behind the oceans and try to forget about peace in the Middle East, we would, in the first place, be risking the security of our close ally and friend, Israel, because Israel needs peace in the long run very much indeed; and, in the second place, we would be forgetting about a lot of other U.S. interests in the region. It is just not going to happen.

The question is tactics and how you play the tactics. Right now, I think Bill is right; we need to watch and wait. But I would not get

BEST COPY AVAILABLE

out of it. When we get back in the next time, if we can, it probably will take the President or the Secretary of State to rejuvenate the American role in a way that is more credible.

SAUDI INTERESTS

Second, on the Saudi long-term interest, I don't think there is any way the United States can get the Saudis to adopt our version of their interests. They see themselves as weak, proud, beleaguered, and yet possessing a central position as the guardians of the holy places. They see their security in being in the middle of an Arab consensus, and they will continue to see it that way no matter what we do. And as long as Syria is leading a radical wing able to undermine that consensus, the Saudis are not going to take on the Syrians.

So, I don't think we have the capacity to get the Saudis to adopt our version of their interests. But I do think we can persuade them that strengthening Egypt is very much in their interests and that, I think, is tactically the best thing that has been said about the Saudi issue this afternoon.

I am not an expert on Arafat, and I have said basically what I have to say about the PLO, so I will pass that one.

On your question of the Arab leaders hiding behind the PLO issue, if you haven't seen it, there is a new book by a member of the policy planning staff at the State Department, Aaron Miller, something like "The Arab Leaders and the Palestinian Cause," or some such title, published by CSIS just recently, which deals extremely thoughtfully with this question of the ambiguity of the way Arab regimes deal with the Palestinian issue.

I really recommend it to you. I can't add anything to the book.

Mr. SMITH of Florida. All right.

TACTICAL QUESTIONS

Mr. QUANDT. Congressman, I am not an eternal pessimist. I worked long and hard at Camp David to help get the Egyptian-Israeli peace treaty, and I would not have done so if I were a real pessimist. I thought there was a chance, and when I see a chance I think the United States ought to use its considerable influence on behalf of Arab-Israeli peace negotiations.

The question is a tactical one, not a matter of principle. Of course, we have to be in favor of peace. We can't opt out. But is there anything right now that we can usefully do in light of recent experience?

I think there was a lot we might have tried to do last year. It is not worth a lot of time to rake over those coals. But we didn't do it last year. And, having passed up that opportunity—and I think there was a considerable opportunity—there is not an awful lot to work with.

We have a Prime Minister of Israel well disposed to move, but he is on his way out of office. We have King Hussein, who is moderate, well disposed toward peace with Israel; but he has stepped back from the process, and will not go into negotiations alone.

So, there is no one with whom we can work to launch the process. We could make a statement on Palestinian self-determination

BEST COPY AVAILABLE

that might change the atmosphere, but I don't think it would launch the process. We could make a dozen statements on peace.

President Reagan could even reread his 1982 speech on peace, and none of it would change basic realities as they exist now. So I say something has to happen in the area first, and the only thing I can see happening is that somehow the Israelis and Palestinians, out of narrow self-interest, would think of some way to get the process started.

MANY OPTIONS NOW EXCLUDED

I am not saying this with any sense of pleasure; it is from a real sense that all the other options for the moment are excluded.

I do repeat that I think the interested party on the Arab side today is more the Palestinians than the Jordanians. If the logjam could be broken, with the Palestinians saying we are ready for peace, and with a stop to terrorist attacks, with acceptance of Israel as a partner in working out an equitable arrangement in historic Palestine—and if the Israelis responded by saying we recognize Palestinian rights and are prepared to deal with them, then the Jordanians and Americans and all the rest would come back into play in helpful ways.

But, without that breakthrough by the Israelis and Palestinians, I don't think you will get the Jordanians back in. I don't think you will have anything to work with.

This notion that somehow there are Palestinians out there that we can promote to play this role is simply wrong. We have been trying, and the Israelis have been trying, for almost 20 years. It has not happened, and there are understandable reasons.

The idea that we can persuade King Hussein to change direction once again, after having failed last year to convince him to take more risks, is simply fallacious. So, we don't have an awful lot to work with.

SAUDI INTERESTS

On the long-term interests of Saudi Arabia—they want to be able to keep the multiple threats they face at bay. They will not be terribly courageous and confrontational in dealing with those threats. They prefer to play off adversaries rather than take controversial stands.

The one thing I have heard today that is perhaps most innovative, and well intentioned but wrong-headed, is that we ought to press the Saudis to do more for Egypt. Of course, in one sense, they ought to. Then we could perhaps do less, I suppose is the idea. But there would be a political price to pay.

Do we really want the weight of Saudi influence on Egyptian foreign policy? That is what you are talking about if you say Saudi Arabia should put large amounts of money into Egypt. That comes with a price tag.

What we really want the Saudis to do is give the Egyptians a lot of money and not ask for anything in return. That is not reliable. What the Saudis will ask for in return is that Egypt play a role more comparable to that of Saudi Arabia, working within an Arab

BEST COPY AVAILABLE

consensus, not getting out in front, tempering their Israeli relationship, drawing back from the relationship with the United States.

If that is the price of getting Saudi Arabia and Egypt back together, I am not sure we are well advised to press for it. And, in any case, it is not going to work.

Mr. LEVINE. I would like to ask one thing: What is the price Syria pays for the Saudi subsidy that goes to the Syrians?

Mr. QUANDT. I don't know. I suppose it is a mixture of——

Mr. SMITH of Florida. Forbearance.

Mr. QUANDT. They don't give the Saudis trouble. And for the Saudis, it identifies them with an Arab position which you cannot outflank. It is the pure Arab position.

Now, that has domestic political value for a country which is very tied to its Arab and Islamic identity. Nobody will accuse the Saudis, despite their close ties with the Americans, of being soft on the Palestinian issue and soft on the Israeli question, as long as they are supporting the Syrians.

Egypt wants to be helpful, but Egypt will not take the lead in peace negotiations. Egypt must not be allowed to succumb to the weight of its economic problems. We want Egypt to be in a position to play a positive role, and one they can play with a degree of independence.

I don't think we want to see an Egypt that is so desperate for economic support that it goes to the oil-rich Arab states pleading for aid and, in return, is willing to scrap a lot of commitments that they have made over the years.

Mr. HAMILTON. Gentlemen, thank you very much. It has been a good discussion and you have contributed greatly to it, and we thank you.

The subcommittee stands adjourned.

[Whereupon, at 12:30 p.m., the subcommittee adjourned, subject to the call of the Chair.]

BEST COPY AVAILABLE

APPENDIX

MICHAEL C. HUDSON

Resume

Born June 2, 1938, New Haven, Connecticut

Married, with two children.

Present position: Professor of International Relations, School of Foreign Service, Georgetown University; and Director, Georgetown University Center for Contemporary Arab Studies.

Education:

B.A., Swarthmore College, 1959 (honors).

M.A., Yale University, 1960, in political science.

Ph.D., Yale University, 1964, in political science.

Certificate in Arabic, Princeton University, 1962.

Publications:

Arab Politics: The Search for Legitimacy (New Haven: Yale University Press, 1977).

World Handbook of Political and Social Indicators, second edition (New Haven: Yale University Press, 1972), co-author, with C.L. Taylor.

The Precarious Republic: Political Modernization in Lebanon (New York: Random House, 1968). A publication of the Harvard Center for International Affairs.

Travel: Frequent visitor to Lebanon, Syria, Jordan, Israel, Egypt, Iraq, Saudi Arabia and the Gulf states.

Other Professional Activities:

Lecturer on Middle Eastern subjects.
Occasional consultant on Middle Eastern Affairs.
Analyst of Middle Eastern affairs for electronic and print news media.

BEST COPY AVAILABLE

THE
WASHINGTON INSTITUTE
FOR NEAR EAST POLICY

RESUME

Martin Indyk

Dr Indyk is Executive Director of The Washington Institute for Near East Policy, a private research and educational foundation established in 1985 to articulate and sustain a balanced and realistic view of US national interests in the Middle East.

Dr Indyk was educated at the University of Sydney and received his Ph.D. in International Relations from the Australian National University. Positions he has held include, Political Science Fellow in the Australian Parliament, Middle East Assessments officer and Deputy Director of Current Intelligence in the Australian Prime Minister's Office of National Assessments, Senior Lecturer in Politics at Macquarie University (Sydney), and Senior Policy Analyst at Near East Research Inc (Washington D.C.).

Dr Indyk has also been a Visiting Fellow at Columbia University's Middle East Institute and Tel Aviv University's Dayan Center for Middle East Studies.

He has published widely on International Relations and particularly on US policy in the Middle East. His most recent works include: Sadat's Jerusalem Decision (Harvard University Center for Middle Eastern Studies); "Ignoring the Real Jordan Option," The National Interest; and "The Middle East Peace Process, 1985," Strategic Survey, (International Institute for Strategic Studies).

901 NORTH CAPITOL STREET N.W. • SUITE 405 • WASHINGTON D.C. 20001 • (202) 783-0226

BEST COPY AVAILABLE

Biographical Information

U.S. AMBASSADOR SAMUEL W. LEWIS, (ret.)

Samuel W. Lewis of Houston, Texas, a retired career Foreign Service Officer of Career Minister rank, was sworn in May 2, 1977, as U. S. Ambassador to Israel, and occupied that post until June 1985, when he retired from the U.S. Government. Prior to this appointment, Mr. Lewis served as Assistant Secretary of State for International Organizational Affairs.

Mr. Lewis was born in Houston, Texas, on October 1, 1930. He graduated cum laude, with a B.A. in International Relations and History from Yale University in 1952, and obtained his M.A. from Johns Hopkins University in 1954, majoring at the School of Advanced International Studies in Middle Eastern Studies and International Relations.

Mr. Lewis entered the Foreign Service in 1954. From 1954-59, he served in Naples, Florence and Rome. From 1959-61, he was Officer-in-Charge of Italian Affairs in the Department of State. From 1961-62, he served as a Special Assistant to Under Secretary of State Chester Bowles, and remained on Mr. Bowles' staff from 1962-1963, while Mr. Bowles served as the President's Special Representative for Africa, Asia and Latin America. Mr. Lewis was a Visiting Fellow at the Woodrow Wilson School, Princeton University, from 1963-64. From 1964-65, he was detailed to the Agency for International Development, and served in the U. S. AID Mission in Brazil as Deputy Assistant Director for Program. In 1966, he was assigned to the American Embassy, Rio de Janeiro, as Executive Assistant to the Ambassador.

After returning to the Department of State in 1967, Mr. Lewis was assigned as Deputy Director, Office of Brazilian Affairs. From September 1968 to January 1969, he was the Senior Staff Member for Latin America on the National Security Council Staff at the White House. From 1969-70, he held the position of Special Assistant for Policy Planning in the Bureau of Inter-American Affairs, Department of State. He attended the Senior Seminar in Foreign Policy at the Foreign Service Institute from 1969-70. He was next assigned as Special Assistant to the Director General of the Foreign Service from 1970-71. Mr. Lewis served as Deputy Chief of Mission and Counselor of Embassy at the American Embassy, Kabul, Afghanistan from 1971-74. From 1974-75, he was Deputy Director of the Policy Planning Staff, Department of State. He was appointed as Assistant Secretary of State for International Organization Affairs by President Ford in December 1975, and served in that post until his appointment as Ambassador to Israel in 1977, where he continued to serve until he retired from U. S. government service, after 31 years, in June 1985. He served eight full years as Ambassador to Israel under Presidents Carter and Reagan.

Mr. Lewis won Meritorious Honor Awards in 1966 from both the

BEST COPY AVAILABLE

Department of State and the Agency for International Development and Distinguished Honor Awards from the Department of State in both 1977 and 1985. He received the William A. Jump award for outstanding service in public administration in 1967, and a Presidential Management Improvement Award in 1972. Johns Hopkins University presented him with its Distinguished Alumnus Award in 1980. He received honorary degrees of Ph.D. Honoris Causa in 1985 from Tel Aviv University, the Hebrew University of Jerusalem, and the Weizman Institute of Science. He speaks Italian, Portuguese and French, is a member of Phi Beta Kappa and the Council on Foreign Relations, and is currently Diplomat-in-Residence at the Johns Hopkins Foreign Policy Institute in Washington, D.C.

Mr. Lewis is married to the former Sallie Smoot of Houston, Texas; they have one daughter, age 28 and one son, age 23.

November 1985

BEST COPY AVAILABLE

CURRICULUM VITAE

WILLIAM B. QUANDT

Date of Birth:	November 23, 1941
Place of Birth:	Los Angeles, California
Education:	Ph.D., Political Science, MIT, 1968 B.A., International Relations, Stanford, 1963
Employment:	
1986	Acting Director Foreign Policy Studies Program The Brookings Institution
1979 - 1985	Senior Fellow, The Brookings Institution
1979	Visiting lecturer in Political Science, Massachusetts Institute of Technology
1977-1979	Senior staff member, National Security Council (Middle East)
1974-1976	Associate Professor of Political Science University of Pennsylvania
1972-1974	Staff member, National Security Council, (Middle East)
1968-1972	Rand Corporation, Department of Social Sciences
1969, 1971	Lecturer, Department of Political Science, UCLA
Consultant:	Cambridge Energy Research Associates (Senior Associate) Wharton Middle East Economic Service (Member of Advisory Group)
Honors and Awards:	Phi Betta Kappa Graduate of Stanford with Great Distinction Social Science Research Council International Fellowship, 1966-1968 Council on International Affairs Fellowship, 1972-1973 National Defense Education Act Fellowship, 1963-65

BEST COPY AVAILABLE

Memberships: Fellow, Middle East Studies Association
Middle East Institute
Council on Foreign Relations

Language: French, Spanish, Arabic

Publications (Books): Camp David: Peacemaking and Politics, The Brookings Institution, 1986.

Saudi Arabia in the 1980s: Foreign Policy, Security and Oil, The Brookings Institution, 1981.

Decade of Decisions: American Policy Toward the Arab-Israeli Conflict, 1967-1976, University of California Press, 1977.

The Politics of Palestinian Nationalism, University of California Press, 1973.

Revolution and Political Leadership: Algeria, 1954-1968, MIT Press, 1969.

(Articles and Monographs):

"American Proposals for Arab-Israeli Peace", in William A. Beling, ed., Middle East Peace Plans, London: Croom Helm, 1986.

"Saudi Views of the Iranian Revolution, in Barry M. Posen, ed., Iran Since the Revolution, Boulder: Social Science Monographs, 1985.

"The Middle East: Domestic Policy in the Ascendence," in Barry M. Blechman and Edward N. Luttwak, International Security Yearbook, 1984/85, Boulder Colo.: Westview, 1985.

Energy Security in the 1980s: Economic and Political Perspectives, A Staff Paper with Douglas R. Bohi, The Brookings Institution, 1984.

"Reagan's Lebanon Policy: Trial and Error," Middle East Journal, Spring 1984.

"Menachem Begin: A Past Master at Negotiation," The Brookings Review, Winter 1983.

Saudi Arabia's Oil Policy, A Staff Paper, The Brookings Institution, 1982.

BEST COPY AVAILABLE

"Middle East Political Overview," in Middle East Economic Outlook, vol. 2, no. 2, October 1982, Wharton Econometric Forecasting Associates.

"The Western Alliance in the Middle East: Problems for U.S. Foreign Policy," in Steven L. Spiegel, ed., The Middle East and the Western Alliance, Boston: George Allen and Unwin, 1982.

"Middle East Political Overview: 1981-1982," Middle East Economic Outlook, vol. 2, no. 1, April 1982.

"Ronald Reagan et le Moyen-Orient," Politique Internationale, no. 14, Winter 1981/82.

"Riyadh Between the Superpowers," Foreign Policy Fall 1981.

"The Middle East," Setting National Priorities: Agenda for the 1980s, The Brookings Institution, 1980.

"The Middle East Crises", America and the World 1979, Foreign Affairs, vol. 58, no. 3, 1979.

"Lebanon, 1958, and Jordan, 1970," in Barry M. Blechman and Stephen S. Kaplan (eds.), Force Without War: U.S. Armed Forces as a Political Instrument, The Brookings Institution, 1978.

"U.S. Energy and the Arab-Israeli Conflict," in Naiem A. Sherbiny and Mark A. Tessler, eds., Arab Oil: Impact on Arab Countries and Global Implications, New York: Praeger, 1978.

"Soviet Policy in the October Middle East War," International Affairs, July-October 1977.

"Kissinger and the Arab-Israeli Disengagement Negotiations," Journal of International Affairs, vol. 29, no. 1, Spring 1975.

"Les Etats-Unis et le Monde Arabe apres Octobre 1973," Maghreb-Machrek, no. 68, Spring 1975.

"Washington's Arab Connection," Europa-Archiv vol. 9, Spring 1975.

"Berbers in the Algerian Political Elite," in E. Gellner and C. Micaud, eds., Berbers and Arabs: Ethnic Group Relations in North Africa London: Duckworth, 1973.

BEST COPY AVAILABLE

"Can We Do Business With Radical Nationalists? Algeria: Yes," Foreign Policy, Summer 1972.

"United States Policy in the Middle East: Constraints and Choices," in Paul Hammond and Sidney Alexander, eds., Political Dynamics in the Middle East, New York: Elsevier, 1972.

"Domestic Influences on U.S. Foreign Policy in the Middle East: The View from Washington in W. Beling, ed., The Middle East: Quest for an American Policy, Albany, NY: State University of New York Press, 1972.

"Algerian Military Development: The Professionalization of a Guerrilla Army," Cultures et Developpment, 1972.

"The Middle East Conflict in U.S. Strategy: 1970-1971," Journal of Palestine Studies, vol. 1, no. 1, Autumn 1971.

The Comparative Study of Political Elites, Sage Publications, 1970.

"Algeria: The Revolution Turns Inward," Mid East August, 1970.

Last revised: April 8, 1986

BEST COPY AVAILABLE